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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

WAYNE HAROLD COLESON,
Debtor,

Case No. 09-30613 DM
Chapter Number: 7

NOTICE OF OPPORTUNITY TO BE
HEARD ON MOTION TO APPROVE
SALE OF INTEREST IN SULLIVAN
VINEYARDS

Location: 235 Pine Street, 22nd Floor
San Francisco, California
Judge: Hon. Dennis Montali

TO THE DEBTOR, THE CREDITORS AND OTHER PARTIES IN INTEREST, AND
TO THE UNITED STATES TRUSTEE, PLEASE TAKE NOTICE OF THE OPPORTUNITY
FOR HEARING ON THE TRUSTEE'S MOTION TO APPROVE SALE OF SHARES IN
SULLIVAN VINEYARDS, AS DESCRIBED HEREIN:

BACKGROUND AND TERMS OF SALE

By this motion, Chapter 7 Trustee E. Lynn Schoenmann seeks an order approving the sale of whatever interest the estate holds in Sullivan Vineyards Corporation ("Sullivan Vineyards") to Ross Sullivan ("Mr. Sullivan") for the sum of \$10,000.

On March 17, 2009, Debtor Wayne Harold Coleson ("Debtor") filed a voluntary Chapter

1 7 petition in this Court, and E. Lynn Schoenmann was appointed as trustee. According to
2 Debtor's Summary of Schedules, prior to his Chapter 7 petition, Debtor acquired 50 shares in
3 Sullivan Vineyards ("Sullivan Vineyards Shares"), paying \$150,000 for the shares. Both Debtor
4 and Sullivan Vineyards have represented that they cannot locate any of the original
5 documentation regarding Debtor's investment, making it impossible for the Trustee to confirm
6 what interest, if any, the estate actually holds. Sullivan Vineyards has represented to the Trustee
7 that the corporation is currently in severe financial distress and fighting for survival.

8 The Sullivan Vineyards Shares are not traded on any national or regional securities
9 exchange, which limits their marketability. Indeed, the Sullivan Vineyards Shares are not
10 publicly traded at all. In addition, the Trustee is unaware whether any limitations on the estate's
11 ability to sell the shares exist, as she has no documentation regarding the shares. Given the
12 corporation's financial state and the inability to verify the estate's interest, there is no realistic
13 market for the shares outside of individuals, like Mr. Sullivan, who are already associated with its
14 operations.

15 The Trustee and her agents negotiated with Mr. Sullivan regarding his potential purchase
16 of the estate's interest in the Sullivan Vineyards Shares. Those negotiations resulted in the
17 formation of the agreement dated September 12, 2011, by and between the Trustee and
18 Mr. Sullivan ("Purchase Agreement"), pursuant to which Mr. Sullivan agreed to pay the Trustee
19 \$10,000 in exchange for whatever interest the estate holds in Sullivan Vineyards. The sale is
20 without any representations of any kind by the Trustee regarding the interest in Sullivan
21 Vineyards conveyed, and Mr. Sullivan has agreed to accept any liabilities (including but not
22 limited to tax liabilities) that may be associated with the interests transferred to him.

23 The Trustee's proposed sale of the estate's interest in the the Sullivan Vineyard Shares to
24 Mr. Sullivan is in the best interest of the estate. The Trustee entered into the Purchase Agreement
25 using sound business judgment, in good faith, and in an arms-length transaction. Although
26 Debtor scheduled the shares at \$150,000, the purchase price of \$10,000 represents fair and
27 reasonable value to the estate, as the scheduled amounts do not accurately reflect the current
28 value of the Sullivan Vineyards shares.

1 The Trustee's motion for approval of the sale is supported by this Notice of Opportunity
2 to be Heard on Motion to Approve Sale of Shares; the Memorandum of Points and Authorities in
3 Support of Motion to Approve Sale of Shares; and the Declaration of E. Lynn Schoenmann in
4 Support of the Motion to Sale of Shares. Complete copies of the moving papers are available
5 from the Court's PACER system, in the office of the court clerk at 235 Pine Street in San
6 Francisco, and by emailed request to counsel for the Trustee.

7 NOTICE IS HEREBY FURTHER GIVEN that local rule 9014-1 of the United States
8 Bankruptcy Court for the Northern District of California prescribes the procedures to be followed
9 in the event that a creditor or other party-in-interest wishes to object to, or request a hearing on,
10 the matter or matters described herein. Any party who objects to the above-referenced matter or
11 matters must file with the above-captioned Court and serve upon Trustee's counsel, Thomas F.
12 Koegel, Crowell & Moring LLP, 275 Battery Street, 23rd Floor, San Francisco, CA 94111 a
13 request for hearing within twenty-one (21) days from the date of the mailing of this notice. Any
14 objection or request for a hearing must be accompanied by a declaration or memorandum of law
15 that the requesting or objecting party wishes to present in support of its position.

16 In the event that a requesting or objecting party timely files and serves a request for
17 hearing, together with the appropriate accompanying documents, the Trustee will schedule a
18 hearing date and time with the Court and will provide the objecting or requesting party with at
19 least ten (10) days written notice thereof. If there are no timely objections or requests for relief,
20 the Trustee will request the Court enter an order approving the sale.

22 | Dated: September 16, 2011

CROWELL & MORING LLP

/s/

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